97-84070-1

Wisconsin Legislature

Report of the Special Legislative Committee...

[Madison]

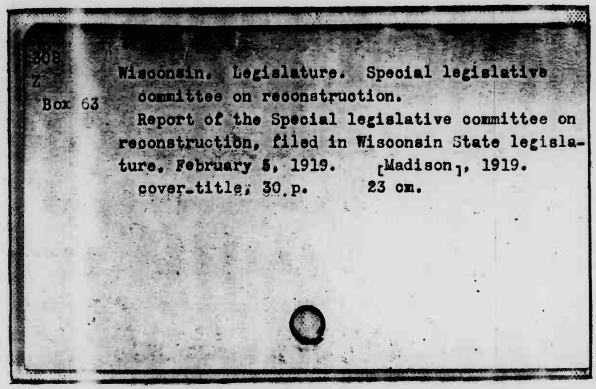
1919

97-84070-1
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD


308
Z
Box 63
Wisconsin. Legislature. Special legislative committee on reconstruction.
Report of the Special legislative committee on reconstruction, filed in Wisconsin State legislature, February 5, 1919. [Madison], 1919.
cover-title, 30 p. 23 cm.

RESTRICTIONS ON USE: Reproduction may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 11:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 5/1/97 INITIALS: TLM

TRACKING # : 21508

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

BIBLIOGRAPHIC IRREGULARITIES

MAIN ENTRY: Wisconsin Legislature

Report of the Special Legislative Committee on Reconstruction

Bibliographic Irregularities in the Original Document:

List all volumes and pages affected; include name of institution if filming borrowed text.

_____ Page(s) missing/not available: _____

_____ Volume(s) missing/not available: _____

_____ Illegible and/or damaged page(s): _____

_____

_____ Page(s) or volume(s) misnumbered: _____

_____ Bound out of sequence: _____

X Page(s) or volume(s) filmed from copy borrowed from: Library of Congress
(title page and verso)

_____

_____ Other: _____

_____

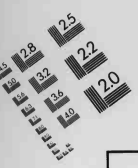
_____ Inserted material: _____

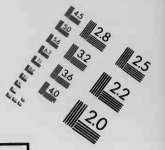
TRACKING#: MSH21508

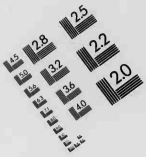
FILMED IN WHOLE OR PART FROM A COPY BORROWED FROM:

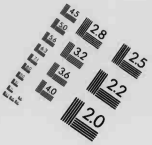
LIBRARY OF CONGRESS

PM-MGP
METRIC GENERAL PURPOSE TARGET
PHOTOGRAPHIC



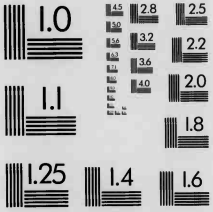






150 mm

100 mm



ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

1.0 mm

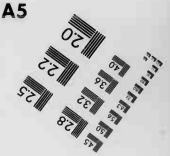
1.5 mm

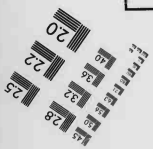
2.0 mm

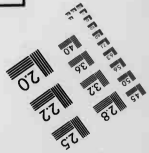
2.5 mm

A5

A4







PRECISION℠ RESOLUTION TARGETS

A&P International
2715 Upper Afton Road, St. Paul, MN 55119-4760
612/738-9329 FAX 612/738-1496

REPORT

OF

Special Legislative Committee on Reconstruction

FILED IN
Wisconsin State Legislature
FEBRUARY 5, 1919

ROY P. WILCOX, Chairman
A. KUCKUK
J. C. HANSON

copy 2

HC 107
.W6 A45
1919
copy 2

D. of D.
AUG 4 1919

308
2
Box 63

SPECIAL COMMITTEE REPORT

To the Honorable, the Legislature of the State of Wisconsin:

This committee was appointed under the provisions of joint resolution No. 8, S., adopted in the Senate and Assembly of Wisconsin on the 23rd of February, 1918, at the 1st Special Session. Senators Roy P. Wilcox and Antone Kuckuk, and Assemblymen P. W. Peterson, J. C. Hanson and H. W. Wieckert, were appointed on the 9th day of March, 1918. The Committee was required under the terms of the resolution to report to this session of the Legislature "A comprehensive social and economic welfare program of Reconstruction after the war to include civilians whose status has been affected by the war as well as soldiers." (Page 60, Senate Journal Special Session, 1918.)

The Hon. P. W. Peterson and the Hon. H. W. Wieckert, not being members of this legislature, have taken no part in the work of the committee.

Your committee has carefully considered the suggestions made by all persons who appeared before the committee; has examined many reports and documents; read much in magazines, periodicals, pamphlets and books concerning present day conditions touching the need and demand of the people for changes in the economic and social structure which it is evident will bring about better conditions for all the people of the state but especially the farmers and working people, and we have the honor of submitting herewith our report together with a condensed transcript of testimony given before the Committee.

Respectfully yours,

(Signed) ROY P. WILCOX,
Chairman.
A. KUCKUK,
J. C. HANSON.

February 5, 1919.

INTENTIONAL SECOND EXPOSURE

HC 107
W6A95
1919
c2 pt 2

B. of D.
AUG 4 1919

308
2
Box 63

SPECIAL COMMITTEE REPORT

To the Honorable, the Legislature of the State of Wisconsin:

This committee was appointed under the provisions of joint resolution No. 8, S., adopted in the Senate and Assembly of Wisconsin on the 23rd of February, 1918, at the 1st Special Session. Senators Roy P. Wilcox and Antone Kuckuk, and Assemblymen P. W. Peterson, J. C. Hanson and H. W. Wieckert, were appointed on the 9th day of March, 1918. The Committee was required under the terms of the resolution to report to this session of the Legislature "A comprehensive social and economic welfare program of Reconstruction after the war to include civilians whose status has been affected by the war as well as soldiers." (Page 60, Senate Journal Special Session, 1918.)

The Hon. P. W. Peterson and the Hon. H. W. Wieckert, not being members of this legislature, have taken no part in the work of the committee.

Your committee has carefully considered the suggestions made by all persons who appeared before the committee; has examined many reports and documents; read much in magazines, periodicals, pamphlets and books concerning present day conditions touching the need and demand of the people for changes in the economic and social structure which it is evident will bring about better conditions for all the people of the state but especially the farmers and working people, and we have the honor of submitting herewith our report together with a condensed transcript of testimony given before the Committee.

Respectfully yours,

(Signed) ROY P. WILCOX,
Chairman.

A. KUCKUK,
J. C. HANSON.

February 5, 1919.

REPORT ON RECONSTRUCTION

Bolshevism is a present menace. Its proportions and its momentum in this country are unknown. The spasmodic eruptions which have appeared here and there throughout the country and in this state indicate a wide distribution of the movement with centers of intense activity.

What is Bolshevism? Precise definitions will not help us to understand the situation, but there are certain signs of it upon which there is general agreement. Bolshevism is essentially a revolutionary movement.

Bolshevism is an intense expression of the desire for reconstruction tied up to revolutionary formulae, and permeated with the spirit of protest, and somewhat of other destructive tendencies characteristic of the country of its origin. It is an alien thing.

Through its influence the desire for better things has, among the ignorant, been perverted into a revolutionary movement. The professional agitator, and the political agitator have used it to organize the uninformed parts of our population. It is also a convenient cloak of many who did not give to the nation during the war, wholehearted support.

We have seen in Europe how quick the transition may be from social control to social anarchy. We must not, therefore, be unmindful of the demand for reconstruction. We must not dismiss it with a mere wave of the hand in any belief that the present situation is entirely satisfactory, or will become so by the mere lapse of time. The Bolshevik movement has back of it a great emotional force. It is world-wide in its effects and unconsciously is influencing, through the newspapers and through organized and unorganized propaganda, the thoughts of many who would not admit it. A sane and fairminded program of reconstruction, taking into account actual social facts, is the greatest possible check to the growth of Bolshevism.

There must be reconstruction. The heart of the world has been touched more deeply than it has ever been touched before in our time. The world is full of hope. The sentiment of the world is for better things. The social and economic reconstruction is an effort to satisfy this feeling and this longing of the world. It is a serious effort to make the world a better place to live in. There are some social facts which we have accepted

as inevitable, which the new hope in the world cries out against with an insistent demand for immediate change.

Any reconstruction movement should be based on the nineteen century old doctrine that "men are brothers." There must be a more thorough-going application of the Christian ethics to social and economic policy. That is the road to sanity; that is the road to sound reconstruction; that is progress.

In the hope that our work may be of some value in promoting such a movement and may be of assistance in determining its character, scope and direction, we submit the following suggested program.

Agriculture

The fundamental importance of agriculture to the welfare of a state is accepted as the basis of sound public policy. For that reason the agricultural interests must be carefully considered in any program of reconstruction and any influences tending to undermine the agricultural industry must be exposed and defeated.

The welfare of the people of the state, urban as well as rural, can best be promoted by the sound philosophy of co-operation which has heretofore characterized our farmers' organizations, rather than by the unsound disintegrating philosophy of socialism. What we need to do is not to have the state own everything, but, on the contrary, to increase to the widest extent possible, ownership by individuals of the wealth and instrumentalities of production. A state having its wealth widely distributed among its citizens and its citizens organized co-operatively to carry on at least most of its economic enterprises, is on the road to that happy condition which promotes "the greatest good to the greatest number." Instead of the socialistic state, we must work and fight for a state with widely distributed individual ownership and organized co-operation. In order to stimulate wider individual ownership and to encourage the co-operative principle in agriculture, because it is a sound basis of public welfare, we submit for your consideration the following elements of a sound marketing policy, which is one of the great immediate needs of the agricultural interests of the state.

Marketing

1. For years there has been great dissatisfaction with the marketing of agricultural products. The producer and the consumer have been aware of unnecessary waste of effort. Both have a vital interest in doing away with unnecessary waste and in bringing about better methods of distribution.

Demonstrations of Improvement in Marketing

The establishment of a Food Administration during the war has shown clearly that it is possible to change marketing conditions very effectively in the public interest. Wheat was bought at a fixed price by the government and production was stimulated thereby. A good many processes of manufacture and steps in marketing were discontinued. It was found, for instance, that twenty-five per cent could be saved by a plan of routing the wheat from small elevators directly to the mills and by discontinuing to a certain extent the terminal elevators. The direct marketing of fish by the Wisconsin Council of Defense is a small item in itself, but nevertheless is of great significance. Whatever may have been the faults of the different Food Administrations in the different countries, they nevertheless showed that the big food speculators could be curbed and the interests of the consumer and producer could be protected.

In war it was found necessary to organize producers and consumers in order to get the best results. The word "co-operation" became the watchword of the American people. The passage of the Webb bill in Congress contemplates the co-operative organization of our great distributing agencies to the end that we shall be able through reasonable combinations to sell our goods in foreign lands and push our commercial interests into new channels.

During the war countries learned that production could be greatly simplified and made more economical by combination among the producers. France could not have sustained its part of the war without combination among its producers. Thousands of tractors were used co-operatively to take the place of man power. Materials were bought in common by the people working together, and the produce was sold the same way.

Organize the Producers of Wisconsin

We believe that every effort should be made to organize the producers of Wisconsin. With every other business fully organized, it is but common sense to look to the welfare of the state by encouraging organization of farmers.

Profiteering, Hoarding and Unfair Practices Prohibited

It was demonstrated during the war that profiteering, hoarding and unfair practices could be eliminated, and we believe that all of these practices should be entirely forbidden in our state in peace as well as in war.

A Marketing Commission

The time has come now when a Marketing Commission should be organized without further delay. Many other states have state marketing commissions, and the U. S. Department of Agriculture has a marketing department. The law creating this commission should also provide against and give the commission ample power to prevent discrimination against farmers' organizations and all unfair practices in business. The trust law of the state should be clarified so that co-operative organizations existing and acting in the interest of public welfare shall be fostered and protected. There should be included in such a marketing bill a sufficient appropriation to provide aid to farmers' co-operative organizations by auditing and bookkeeping experts. Many of them now fail because they have not just such expert help. Formerly this state, under the old Board of Public Affairs act, could furnish such help and it was of the greatest service to farmers' organizations.

Curbing Unfair Dealing and Discrimination

The marketing bill should also provide for a special assistant attorney general to follow through and investigate unfair practices and discriminations against farmers and producers by persons outside the state as well as by persons within the state. This attorney should be granted the right to go to Chicago, for instance, upon complaint of unfair dealing and start action in the name of the state so that the combinations which exist in centers of that sort and which often discriminate against farmers shall be compelled to deal fairly with our producers. As it is now, a man often sells his goods in Chicago or at any other market, and if he is a small farmer or producer, he has very little chance to recover against the commission man or others who may unfairly deal with him. Backed up by the power of the state, a marketing commission of this kind would be in a position to bring these parties to justice or to appeal to Washington, if need be, in the name of the state of Wisconsin.

We believe that at least one of the members of this marketing commission should be a representative of the farmers' organizations, and that another should be representative of the consuers' organizations, such as trade unions; and that provision should be made for advisory committees nominated by farmers' and consumers' organizations to work with the marketing commission on all important subjects.

Protect Small Necessary Middlemen

Nothing that has been won for fair dealing through the National Food Administration or the state food laws should be allowed to be lost. The small necessary middleman who is doing a legitimate business and the small storekeeper in danger of being discriminated against or driven out of business by powerful competitors using unfair methods, and often having their head offices in the great financial centers of America, should be protected by this commission. The commission should be a court of fair dealing in all matters of this kind.

Standard Brands

The Federal Trade Commission, the War Industries Board and the National Food Administration have shown that great economy can be effected by the use of standard brands. This device has been used successfully in nearly all foreign countries. A marketing commission should be given the right to establish state grades and brands for agricultural produce and to make rules and regulations for the use of these brands. This will not involve any national question, as the brands so furnished could be promulgated by our state marketing commission in harmony with any national legislation.

Cost of Production Studies

The marketing commission should also be required to make constant cost of production studies as requested by farmers' organizations. The war has shown that many farmers know little about the cost of production. Every other business is aware of the cost of production. If a business does not know its cost of production, speculation is liable to become prevalent. There is no greater service which can be done for the farmers of our state than to aid them in determining the cost of production of their goods.

Improving Financial Conditions of Co-operative Organizations

When our co-operative organizations have developed into efficient well organized business enterprises, additional power should be conferred upon them. This power should be conferred under a license issued by the marketing commission, after a careful examination by such commission has satisfied itself that the organization is sufficiently developed and gives evidence of such

successful management that the commission believes that additional powers could be successfully conferred upon the organization and, thereby, promote public welfare. For example, a limited right on the part of co-operative institutions to receive deposits from, and to make loans, to their patrons and their organizations when conditions are such in the judgment of the commission as to demand this service. Such powers should only be exercised, however, by a separate department established for that specific purpose, which department should be subject to supervision and examination by the commissioner of banking. Co-operative organizations in other countries now have the right to receive deposits and loan money to a limited extent. The money which comes in through the receipts from the warehouses, cold storage plants, butter factories, etc., can thus be deposited and loaned in a conservative way.

Helping People Help Themselves

Your committee has recommended the foregoing changes in our agricultural policy because every one of them is based on sound principles of co-operation. They tend to help people to help themselves. They are not, strictly speaking, matters of state aid. They are educational. They are based on the idea that people should be encouraged to do things themselves. They are based on the idea that the state should be used to help build up organizations of the people to conduct their own business. They are built upon lessons of the war and are promotive of the general welfare. There is no reason why old abuses should be continued after our war experience has shown conclusively that improvements can be made in marketing and in business and that unfair practices and discrimination can be rooted out. The dictates of common sense and the welfare of our people urge the building up of sound agricultural science and a happy rural population as well as the cheapening of the cost of living to our toiler, by the establishment of this simple and rational machinery above described.

Making Market Commission Responsible to People

We must call attention, however, to the fact that a commission of the suggested kind may become bureaucratic or out of touch with the people. We, therefore, make the same recommendation here, which is made elsewhere in this report, that marketing commissioners appointed under a marketing act be

subject to interpellation by the legislature and to removal by an aye and no vote of a majority of the membership of both houses voting separately. We believe this to be a sensible safeguard in line with the experiences of the entire world, and that the powers given to a commission of this kind will be sensibly and rationally administered if the commissioners appointed know that they are directly responsible to the people's representatives.

Representatives of Farmers on Educational Boards

2. There must be industrial democracy as well as political democracy. One excellent method of accomplishing this is to put a representative of organized agriculture on each of the Educational Boards of the State. We, therefore, recommend that the law provide for the appointment on the Board of University Regents, the Board of Normal Regents, and the Central Board of Education of one member selected from a list of men furnished by organized agriculture.

Consolidation of Rural Schools

3. One of the hampering conditions surrounding rural education is the necessity under present laws that the expense of rural schools shall be borne by comparatively small agricultural units in which the number of inhabitants is oft times so limited that school maintenance imposes a real hardship upon them. Education is a matter of more than merely local concern. We, therefore, recommend the consolidation of rural schools into larger units, and the more general assumption by such units of the work of transporting pupils to and from such schools. This may be done under existing statutes. The entire county is interested in this enterprise practically to the same extent as the immediate locality, and we therefore recommend that, for school purposes, the county be made the unit of taxation. This will give the rural schools an equal chance with the city schools, and will enable local school boards to provide that practical education which is so necessary. It will, at the same time, bring these schools closer to the rural homes and will make them civic centers for the uplift of the entire community.

Bonding Non Co-operative Creameries, Cheese Makers, Condensories

4. It has been brought to our attention that creameries, cheese factories and condensories have at times taken the farmers'

products and thru bad management, have not only failed to pay for these products, but have shipped them out of the state to others so that the farmer has sustained a total loss. We recommend that all creameries, cheese factories, and condensories, which are not operated as co-operative enterprises shall be required to file a bond with the county clerk of the county in which they are located in a sum and with sureties to be fixed and approved by the Dairy and Food Commissioner conditioned to indemnify any person who leaves his products with such institution, against loss through mismanagement.

Creameries and Cheese Factories As Selling Agencies

5. Complaint has reached us that prices paid by condensories for milk have sometimes been manipulated by fixing them so high for a time that creameries and cheese factories could not pay the price and live. When their business had been thus destroyed, prices at the condensories were then put down far below normal value, and temporary losses of the condensory were thus recouped with the final result that milk prices were made unreasonably low. To meet this condition we recommend an amendment of the co-operative law so as to authorize co-operative creameries and cheese factories to act as selling agents for their customers. Contracts could thus be made between a co-operative organization and its customers under which milk left for manufacture into butter or cheese might instead be sold to the condensory when the price was so high that in the judgment of the co-operative organization it could not profitably pay such price and manufacture the milk into butter or cheese. Individuals or partnerships operating creameries or cheese factories can follow this plan now without additional legislation and corporate organizations may also secure this right by a simple amendment to their articles of incorporation; if such articles do not, as at present drawn, authorize corporate action as a selling agency. This plan would enable farmers to get the benefit of the best market.

Protecting Farmers and Co-operative Organizations

6. The present statutes regulating trusts and monopolies prevent the association of farmers for a purpose of collective bargaining. We cannot think that all combinations of farmers are necessarily inimical to the public interest. We recommend the revision of the Wisconsin statutes so that they will definitely permit the association of farmers for the purpose of collective bargaining in the public interest.

Labor

The war secured for labor a measure of justice greater than had ever been given it before. The necessity of labor to the national welfare in time of war was clearly perceived. From one angle the problem of reconstruction will be whether we shall continue the present comparatively liberal attitude toward labor or not. The Republican platform of this State has gone on record unqualifiedly in favor of the policies of the National War Labor Board. The Republican party to be true to its official declaration, should embody in legislation the principles laid down by the National War Labor Board for its own guidance and for the guidance of manufacturers with war contracts.

Industrial co-operation must replace industrial warfare. The experiences of all the countries at war showed clearly that under the stress of national necessity, labor and capital, when properly represented, can amicably adjust their differences. There is a great deal of very valuable experience growing out of the war, notably the Whitely reports, which furnish a starting point for effective stimulation of industrial co-operation. Specific appropriations should be given to the Industrial Commission to promote industrial co-operation.

The workman's job is his greatest interest. He must receive for it a living *family* wage. He must not work for such long hours that his physical health will be impaired and he becomes a burden to his family and to society. He must work under conditions that will guard his health, prevent accidents, and in other ways protect him as the more enlightened employers are now doing even in advance of specific requirements of law. This attitude of some employers, even though it be claimed to be merely enlightened selfishness, is the harbinger of the new industrial day and these advance measures must be written into the law of the state or must be stimulated by administrative action of the Industrial Commission.

Law is not entirely effective in promoting industrial co-operation. As a matter of fact more can be accomplished by changing the attitude of labor and capital toward each other than by positive provisions of the law or large appropriations for state agencies. The state may properly stimulate this co-operation and it should be definitely a part of the policy of the Industrial Commission to do so.

We trust that the new industrial day will be hastened even a little by the following proposals.

Right to Organize and Collective Bargaining

1. The right to organize should be guaranteed to every worker. It should be unlawful to place the retention in the service on condition of non-membership in a trade or union, or to dismiss him for activity in such trade or union. This provision should be enforced through the Industrial Commission by a committee representing employers, employes, and the general public under the so-called minimum wage law, 1729s—1 to 1729s —12 inclusive.

The right of employers and employes to organize and to bargain collectively should be guaranteed by law. The suggested amendment to the statutes so as to definitely permit organization of farmers for the purpose of collective bargaining in the public interest should also include associations of employers and employes. The many years successful experience of the stove makers and stove workers operating under this plan have demonstrated its great worth. It is the direct and sure way to industrial peace.

Housing Workingmen and Others

2. One of the most essential things is the health of the working people of the State. Cities of the first, second and third class should be given authority to raise funds by taxation or by issuance of bonds to provide for city planning and suitable housing facilities.

Relief of Congested Districts

3. Cities of the first, second and third class should be authorized to raise funds either by taxation or by bond issues, to buy land adjoining the city and to suitably plan and lay out same for the relief of congested sections in the city and to develop garden suburbs for city people at reasonable cost.

Vacation Camps for School Children

4. Cities of the first, second and third class should be authorized to establish state supervised, city owned vacation camps for all school children and minors up to 20 years of age, which camps should be equipped to give additional academic and vocational opportunities including physical training.

Stimulating Public Work by Municipalities

5. Because of our constitutional limitation against state debt in excess of $100,000 and forbidding internal improvements, many desirable things cannot be done by the state without amendments to the constitution. For this reason, we recommend the creation of an emergency public works commission to consist of the State Engineer, the Chief Engineer of the Highway Commission and the chairman of the Tax Commission who shall act in an advisory capacity to the municipal and quasi-municipal organizations of the state and endeavor to persuade them to adopt a policy of liberal authorization of public works and public improvements in excess of immediate needs to serve as a balance wheel for unemployment wherever it shall appear in the state. The law should require a statement and general description including cost of all proposed public works to be filed with the commission (at least one year) before the commencement of the work, and should authorize the making of rules and regulations by such commission for the purpose of using such public works as a means as far as possible, to prevent unemployment.

A $50,000,000 Road Program

6. We believe that highways should be built as fast as possible in this state and that we should not lag behind Illinois, Michigan and Minnesota. The building of highways would furnish a large field of employment and we recommend that a constitutional amendment be enacted authorizing the issue of bonds for $50,000,000.00 to be used for the construction of a state highway system in the manner, of the kind, and at the places designated by the Highway Commission.

Extending Minimum Wage Law

7. The present law providing for a minimum wage is deficient, in that it only applies to minors and females. Until the decision in the Strettler vs. O'Hara (243 U. S. 629) by the Supreme Court of the United States, the constitutionality of such a law was in doubt. This decision was rendered a year ago. During the past year owing to war time conditions, it was difficult for the commission to take any action in this matter. Now, however, with the advent of peace, and as an essential part of the reconstruction and re-adjustment program, we recommend that sections 1729s—1 to 1729s—12 inclusive be so amended so as to include men, and as so amended we urge immediate investigation by the Industrial Commission of industrial conditions and a speedy promulgation of their findings as to what constitutes a living wage in the various occupations and districts of the state.

Rehabilitation of Victims of Industrial Accidents

8. We regard the rehabilitation of crippled soldiers in service now being planned by the federal board as a most meritorious work but we suggest that Congress be memorialized so that action may be taken to help restore to economic independence victims of industrial accidents. We also recommend that our own State Board of Vocational Education take up this subject in the same manner.

Dismissal Wage

9. Modern industry is realizing that the frequent turnover of labor is bad for the industry, demoralizes the individual and results in economic waste to the community. Its effect upon labor is in many cases demoralizing because of the insecurity of employment due to liability of immediate discharge without notice. One of the most helpful suggestions recently made to relieve this situation, though it cannot be absolutely corrected, is the dismissal wage. The machinery for effecting this has not yet been adequately perfected, but the present study of this method of helping the situation will undoubtedly result in information that may be the basis of sound legislation on the subject. We endorse heartily the principle of the dismissal wage and suggest that the legislature give careful attention to this subject so that adequate legislation may be worked out at this session.

Organized Labor Represented on Educational Boards

10. There must be industrial democracy as well as political democracy and one method of bringing this about is to have a representative of organized labor on the Educational Boards of the state and we therefore recommend that the law provide for the appointment on the Board of University Regents, the Board of Normal Regents, and the Central Board of Education of a member selected from a list of five men furnished by organized labor.

Provision For Short Industrial Courses

11. We recommend that there should be more provision made throughout continuation schools for short industrial courses for

working people established during seasons of enforced idleness and non-employment. The University should give a course similar to the two months' vocational course for soldiers.

Teaching English Language to Aliens

12. One of the conditions most complained about by skilled workers is the importation of unskilled aliens who force down wages by their willingness to work for less than an American workman is able to subsist upon as a living wage. We recommend that all foreign language aliens should be required as a condition of continued employment to attend shop and school instruction supervised by state educational authorities so that they acquire a fair knowledge of the English language.

Teaching Americanization, Industrial History, Etc.

13. All state schools, including industrial and vocational classes should vigorously and intelligently teach the privileges and obligations of American citizenship, and these courses should contain instruction in industrial history including an account of organization of workers and results thereof, together with a summary of state and federal legislation affecting the industries.

Enforce Schooling of Minors, 18–21

14. It has come to the attention of the committee that the statute (1728a—11) providing for the schooling of illiterate minors between the ages of 18 and 21 in city vocational schools has not been vigorously enforced. We recommend enforcement of this statute.

Extra Educational Opportunity to Working Boys and Girls

15. The bill proposed at the last session of the legislature extending the operation of the vocational educational law to 18 years of age, commencing September 1st, 1919, was modified so as to apply only to minors up to the age of 17 years. We recommend that this law be amended so as to require vocational education up to 18 years of age with eight hours' study a week in the day time.

Labor Represented on Boards of Directors of Industrial Corporations

16. The interest of labor in the management of industry should be recognized, and it should be demonstrated that all

industrial enterprises are joint by giving labor its proper share of responsibility in the management of the business. This could be accomplished by a legal requirement that on the board of directors of every industrial corporation employing labor, there should be at least one representative, recommended by employes and that employes might be permitted to purchase sufficient stock to qualify such as a director. The same result might also be secured by a provision for a non-stock owning director chosen by the employes.

Social Insurance

17. Much has been said in the last few years on the subject of social insurance. By this we understand some state regulated or state supported plan of furnishing to working people insurance against sickness, unemployment, occupational diseases, and old age invalidity. Your committee has given these matters careful examination and consideration. The purpose sought to be accomplished by such legislation has our hearty approval, but the subject on account of the four years of world war is involved in so much confusion and uncertainty, the statistics are so variant and incomplete that the present day basis for arriving at a fair and workable legislative enactment which will cover the situation in this state is too shifting, uncertain, and vague to warrant your committee in definitely recommending any form of enactment to cover this subject. We are advised that the interim committee appointed by the last session of the legislature will report adversely on the subject of sickness insurance but we are not advised what facts they have before them on which to base this report and we understand there will be some dissent by a portion of the committee from the report to be submitted by the majority.

We feel therefore that in the interest of securing for Wisconsin the best possible legislation on this subject that the enactment of laws to cover this matter be postponed, and that in the interim, this legislature should appoint a commission consisting of two Senators, three Assemblymen, one representative farmer, workingman, and employer to be selected from lists of names furnished by organized agriculture, organized labor and organized employers respectively. One member representing the clerical workers of the state, the Commissioner of Insurance, and one member of the Industrial Commission. That a suitable appropriation be made to furnish clerical assistance and counsel, if necessary, so that the commission may be able to thoroly investigate the subjects referred to it and report its

findings to the next session of the legislature, with a tentative draft of proposed bills covering these subjects. Meanwhile the Industrial Commission should be given funds for the purpose of and required to collect statistics on wages, unemployment, sickness and invalidity due to old age.

Basic Eight Hour Day

18. Even during the stress of war when the great object for which we strove was to increase production to the utmost, the National War Labor Board found that the best results could be obtained by requiring the employment of all labor on the basis of an eight hour day. We recommend that this policy be enacted into law to govern not only the employment of labor in state work but as a police and health measure that it be made to apply to all industrial workers. The experience and statistics of the industries all over the country amply demonstrate the necessity and wisdom of this course.

Woman in Industry

19. Whenever it shall be necessary to employ women on work ordinarily performed by men, we believe that it is only elementary justice to require that they should be allowed equal pay for equal work but the greatest care should be taken to see to it that they are not given tasks to do disproportionate to their strength. Careful provision should be made to guard the women in industry against moral dangers and any sort of employment which will injure her health or her potential capacity for motherhood. Much has already been done along these lines by our industrial commission and we urge further effort and the promulgation of further rules to more efficiently carry out these suggestions whenever necessary.

One Day of Rest in Seven

20. Men have a dual personality, physical and spiritual, and it is essential that the spiritual side of their natures be developed as well as the physical. We therefore recommend that there should be enacted into law, requirement that there should be one day of rest in every seven and that labor in continuous industries should be worked in shifts so as to secure such day of rest, subject only to the limitation of emergency work in cases of actual necessity.

Workmen's Compensation

21. The workmen's compensation act as developed in Wisconsin, has been of untold value to the industrial workers of the State. Like all legislation of this character, however, it is temporary and needs amendment and revision periodically in order to meet changing conditions. We believe the time has come for important modifications of the act and we recommend:

(a) Additional appropriations to the Industrial Commission to promote safety work so as to cut down the number of preventable accidents.

(b) An amendment to the Workmen's Compensation Act so that it will definitely include occupational diseases.

(c) The raising of the maximum basis of compensation from $2.50 a day to $4.00 a day.

(d) In cases of permanent total disability the payment of an annuity equal to ⅔ of the average annual wage during the remainder of the life of the injured.

(e) The industrial commission should be required to follow up the subsequent history of total disability cases and collect statistics as to the length of life of persons totally disabled. Additional funds should be given to the commission for this purpose if necessary.

Education

Widely distributed educational opportunities to all the people of the state must be at the basis of a sound educational policy. If we build on this foundation we build upon the solid rock. All parts of the educational system must be adequately financed. We will make no mistake by generous investments in citizenship. This applies particularly to the continuation schools which aim to build up boys and girls who leave school before they are adequately trained. This particular group must in an especial sense be cared for. Scholarships should be provided out of state funds, so that those who have the ability, can freely make their way to the rich educational opportunities of the state. The University of Wisconsin, Stout Institute and the State Normal Schools should provide short courses as well as their regular courses for the students who come from the vocational schools.

The apprenticeship law should be so modified that it can act as a proper link between the continuation school, the University, Stout Institute and the Normal Schools. The barriers as to admission into the University should be so modified as to permit students from continuation schools to freely enter the courses of the University, Stout Institute and the Normal Schools. If

scholarships are given for this purpose, incentive will be furnished which will soon bring a stream of the sons and daughters of working men, those who toil with their hands, thru our University and the Normal Schools and they will take their places side by side with the sons and daughters of the more well to do. Any claim that our schools are not democratic will thus be overcome and the foundation for a democracy based on equal opportunity will thus be laid.

Better Teachers and Better Supervision of Our Rural Schools

1. Teaching as a career has failed to attract the best material largely because of the insufficient salaries paid. This in turn has weakened our whole educational system. Rural schools especially need competent teachers. It really requires more in the way of qualifications to successfully manage and teach a rural school than it does to teach a city school. Notwithstanding this, our state aid law only requires a minimum salary for rural school teachers of $45 per month. We recommend that this be increased to at least $60 per month. Salaries of the county superintendents and the supervising teachers should also be increased to meet the rising cost of living and to secure the best ability for the supervision of rural schools.

Medical Inspection of School Children

2. We recommend that the educational authorities take up systematically the stimulating of local health authorities to provide and promote dental and medical education for school children. If additional legislation is required for this purpose, we ask the department to suggest it to the legislature.

Scholarships for Working Boys and Girls

3. While the present educational laws furnish opportunity for elementary education thru the public schools and the vocational and continuation schools to boys and girls whose parents are without means, they are, thru lack of money, effectually barred from a university or normal course. We recommend that a sufficient appropriation be made to provide at least one hundred scholarships open to all working boys and girls from continuation schools and to returned soldiers, such scholarships to be at the Normal Schools, Stout Institute or the State University, or such other schools as may be selected by the State Board of Vocational Education. This will furnish opportunity to the young man or woman who desires higher education but lacks

the money to pay for it. It will be one step toward removing the last barrier and making education free, and will also have the additional great advantage of stimulating the spirit of emulation and self help.

Free Text-books for Elementary School Children

4. Your committee has been informed that there are cases where boys and girls have been obliged to stay away from school because of the necessity of buying books. We recommend the furnishing of free text books for the elementary school children of the state to be paid for out of public funds and to bring this about State aid should be provided where necessary to do so.

Technical Education and Physical Education

5. The selective service law disclosed a surprisingly large number of men who had physical defects and a surprisingly large number who could not speak or write the language adequately and were thus prevented from fully sharing with us our American ideals. It also disclosed a lack of men equipped with elementary technical training. We recommend to our educational authorities that special emphasis be placed upon courses planned to remedy these weaknesses together with such legislation as may be necessary to remedy these conditions.

Educational Program for Food and Fuel Economy and Conservation

6. Great benefit was derived by all citizens of the state thru educational work done by various agencies created during the war along the lines of fuel economy, food conservation and economic living. We recommend to our educational authorities, that the work so done by various public and voluntary agencies during the war, be taken up and conducted under their direction, so as to further promote the objects sought to be attained during the war.

Continuation Rural Schools

7. The principles of the continuation school should be extended to the rural school as soon as possible, and what has been said here about the continuation school in the city is intended to and does apply equally to the rural communities.

Venereal Diseases and the Social Evil

8. Eradication of the social evil and its accompanying horror, venereal disease, has been demonstrated to be largely a matter of education, moral and medical. We recommend that the state pass thoroughgoing legislation and provide adequate instruction on these subjects. The social evil must be stamped out and we must stop the ravages of venereal diseases.

Land Settlement

According to information compiled by Secretary Franklin K. Lane, many of our returning soldiers will desire to settle upon the land and make for themselves farm homes. Wisconsin is particularly fortunate in having a large area of unimproved land within its borders. We should lend hearty co-operation to the effort now being made by the federal government to establish a national land settlement policy. We recommend the following plans as calculated to bring about land settlement that will provide homes not only for our returning soldiers but also for our industrial workers.

Regulating Private Colonization Projects in the Interest of the Settler

1. Every returning soldier and every industrial worker who desires to secure a farm home should be able easily and safely to do so. The purpose to be accomplished is to give the proposed settler neighbors, roads, buildings, machinery, cattle and some cleared land to start with; opportunity to obtain community stores, schools, elevators, creameries, etc., when needed, and to be able to secure these things without the necessity for paying out all his capital at the start. In other words, to furnish him with the instrumentalities and work necessary to make him a successful farmer at the same time leaving him practically all the capital he had until he can earn more. This object can be accomplished by the creation of a State Land Settlement Commission, appointed by the Governor, ~~by and~~ with the advice and consent of the Senate, consisting of the State Immigration Agent, one competent and successful farmer and one successful business man. Companies desiring to colonize lands should be required to incorporate for the purpose under Wisconsin Statutes and to obtain a license from said commission. These licenses should be based upon a written application filed with the Commission containing a careful survey of topography and soil,

giving definite, reliable and scientific reports as to productivity, character of soil, rainfall, transportation and marketing facilities and such other information as might be required by the commission. The application must show a paid up capital of not less than $100,000 and an ownership of not less than 5,000 acres of reasonably contiguous land, with convenient access to roads leading to market. It must also contain an undertaking by the Company to establish roads, community stores, elevators, warehouses, pickle stations, creameries and other agencies of distribution; to furnish the colonist with fresh tuberculin-tested cows and a good grade of seed at reasonable cost; to furnish necessary community machinery for land clearing and working and to care for the crops of any colonist when necessary during illness, at reasonable cost under such reasonable rules as may be prescribed by the land settlement commission and an agreement that reasonable credit will be given to the colonist by the colonization company, at any of the stores and other service agencies created by it and that the land will be sold and all commodities and service will be furnished at reasonable prices to be fixed by the land settlement commission. The application must also show a certain number of acres cleared on each proposed farm, with a comfortable set of buildings, a well, and a portion of the land fenced ready for occupancy by the colonist. The cost of these improvements should be spread over the acreage and the price of the land proportionately increased to that extent. The act should require that land be sold to applicants under contract for a deed which should provide for a small payment down and stated gradual annual payments thereafter, without interest for the first year, a very small payment the second year, and such graduated payments thereafter as shall be provided by the commission and that no taxes should be paid by the settler except pro-rata on his interest in the property. The colonization company upon receiving its license, should have the right to deposit any contracts made by it with settlers and approved by the commission, with a designated trust company or a state land bank, if one be organized, as collateral security and to issue bonds bearing the same rate of interest as the land contracts, up to 75 per cent of amount due on said contracts. These bonds should be issued as authorized and approved by the State Land Settlement Board of the State of Wisconsin. When the colonist has paid 50 per cent of the amount due under his contract, he shall receive a deed, giving a mortgage back at the same or less rate of interest than his contract drew. Owners of land shall not be compelled to organize as colonization companies unless they so desire.

State Land Bank

2. We recommend the enactment of a statute under which there may be created in this state, a state land bank to care for and handle securities, similar in its organization to the Federal Land Bank. This would materially assist the development of the state and would operate in co-ordination with the colonization companies and the State Land Settlement commission.

Taxation

We are vested today with tremendous burdens, nationally and in every state and municipality. The justice of our methods of taxation will be on trial. No system of taxation which puts an unjust burden on the poor, on individual enterprise, or on business can stand the test of modern democracy. We must have a further application of the ability theory of taxation. We believe that earnings from labor, manual or mental, should not bear the burden of taxation which incomes not earned, or incomes which are not the product of capital earned by labor should bear. The income tax especially should place a relatively large burden on unearned incomes except in the cases of old people, poor widows and orphans whom public policy dictates should be excepted. The general principle, however, of a higher tax on unearned incomes should be written into our laws.

There is no doubt but that the terrific national burdens will bring about legislation which will seriously affect the justice or wisdom of anything we can do at this time. We therefore recommend that the State Tax Commission be requested to make a detailed study and to report to this session of the legislature, if possible, and at the earliest possible moment, on the relation of state taxes to national taxes, to formulate an equitable taxation program giving due consideration to and including the suggestions hereafter noted.

Wisconsin has led the way in the past in dealing with the subject of state finance. It must be a source of gratification and pride that even now no state as yet has done so well. But in the swift current of modern life there must be continual readjustment and we should frankly face this vexing problem. We offer the following suggestions which we believe should be studied and considered by the Legislature and by the Tax Commission.

Simplifying Income Tax Returns

1. Complaints were made to your committee of the lack of co-ordination between the state and federal laws with reference to the income and inheritance tax, especialy in connection with the preparation of reports and data on which the assessment is based. We recommend that the tax commission undertake a study and survey for the purpose of simplifying and co-ordinating the income tax returns in an endeavor to co-operate with the federal government to the end that one such form of return may be made to cover federal and state income taxes.

Larger Taxes on Unearned Incomes

2. We also recommend that the tax commission endeavor to work out and submit to this session of the legislature a fair classification by which income in excess of $5,000, which is unearned by the services of the owner, or is not the product of capital earned by the services of the owner, shall bear a higher rate of taxation, than that which is the product of service or of capital earned by the service of the owner.

Increased Inheritance Tax

3. One of the most irritating injustices of our present industrial system is the unequal distribution of wealth. Competent authorities have made the statement that shortly before the outbreak of the war, it was calculated that in the United States, sixty per cent of the wealth was owned by two per cent of the people, while at the other extreme of our economic life sixty-five per cent of the population, representing the labor element, the main factor in the production of wealth, possessed not more than five per cent of the riches of the land. It is safe to say that this proportion has not been improved by the war. While there is much force in the idea that an individual should be permitted to possess all the wealth that he can honestly earn, there are many reasons why extremely large fortunes should not be passed on to posterity intact. Their tendency is to breed loose living and to cause social unrest. The best authorities advocate as an antidote to this evil a sharply graduated inheritance tax. The present Wisconsin inheritance tax law is very moderate in its requirements. There is no graduation of the tax between $100,000 and $500,000 and there is an express limitation that no tax shall exceed 15 per cent of the property transferred to any beneficiary. We recommend that the graduated

rate be increased commencing at $100,000 and that the 15 per cent limitation be substantially raised or entirely eliminated.

Higher Tax on Large Incomes

4. The present income tax law only applies a graduated rate up to $12,000 on taxable income of individuals and on $7,000 for corporations, the final rate at that point being fixed at six per cent in both cases. There is far greater reason for a progressively graduated tax on annual incomes above $12,000 or $7,000 than on annual incomes below those figures. The principle that tax burdens should be borne by those who are able to bear them should have a more thorough-going application in this state, particularly in view of the fact that certain inconsistencies in the system can thus be removed. We are therefore of the opinion that the progressive graduated income tax principle should be applied now to individual incomes above $12,000 and to corporate incomes above $7,000.

This will make possible a simplification of our tax system and will embody a more thorough application of the "ability to pay" theory of taxation. It is part of this reconstruction program to extend as far as possible the individual ownership of land, particularly of homes. A democracy is safer when its citizens have an interest in the land and own their own homes. To stimulate this condition and to avoid double taxation it is recommended that the income tax law be amended so as to permit the owner of any real estate to deduct from his taxable income the rental value of such real estate owned by him, with a limitation, however, that said rental value is not to exceed five per cent of its assessed valuation as fixed by the last annual assessment.

The present law regarding personal property tax, loads upon certain owners of special kinds of income producing property, two taxes, the personal property tax itself and the income tax, while the owners of certain other kinds of personal property, for example, the holders of bonds, mortgages, securities, notes and money are not assessed for personal property at all. The farmer who is the owner of a herd of standard bred Guernsey cows worth $5,000 may, through climatic conditions be forced to purchase feed to carry them thru the season, and receive almost no income from them. Never-the-less under existing laws, he is obliged to pay a personal property tax on the value of his herd. On the other hand, the owner of a $5,000 mortgage which this same farmer has given to secure additional pasture land for his herd, must receive on the stipulated date the six

per cent interest which the owner of the herd has agreed to pay. At the same time, under existing laws, he is only required to pay an income tax on the interest which he receives. It has seemed to the committee that a fairer and more equitable plan would be to repeal what remains of the personal property tax except on bank stock and except the so-called personal property tax on public utilities, which is actually a real estate tax, and replace the revenue thereby lost by a progressive graduated income tax on individual income in excess of $12,000, on corporate income in excess of $7,000 and by a higher rate on unearned income in excess of $5,000, with the further amendment to the income tax law previously suggested, permitting the owner of real estate to deduct from his assessable income the estimated rental value of such real estate not to exceed 5 per cent on its last annual assessed valuation, would practically leave us with a single real estate tax and an income tax thus bringing us back to the original plan when the income tax was adopted. In order that the details of this plan may be scientifically and accurately worked out we recommend that it be referred to the Tax Commission with directions to carefully formulate such details and report them back to this session of the Legislature.

Governmental Changes

We have fought and won a war for democracy. We have seen the world freed from autocracy. Numerous republics have sprung up in every land. We have again held up the beacon light to all mankind.

It is curious, however, that in doing this work for the world we have had to resort to means which are sometimes undemocratic. Great administrative bodies have sprung up which are not accountable in any great degree to the people directly or indirectly. It was necessary that they should spring up, but now when peace is being restored, we should see that we again return to a democratic basis.

In our state long before the war, we adopted the device of administrative commissions to deal with complex questions which have arisen. These commissions have done their work well on the whole, but, like their counterparts, the great national commissions, they have no responsibility to the people. We are in fact in this nation and in this state going counter to the world-wide democratic progress. While we have been building up commissions here with trained officials, in the same manner as, in many instances, such commissions are found abroad, we have not adopted the checks on the growth of bureauracy which other nations have found so efficacious.

Commissions Controlled by People's Representatives

In every other country the world over, all these commissions which are on a permanent basis with highly trained officials, are subject to question or interpellation (as it is sometimes called) by the legislative representatives of the people, and are then subject to dismissal by a simple majority aye and no vote without trial.

Wisconsin has led the way to this reform in America by the enactment of section 23, chapter 634, laws of 1917, now found as sections 13.23 and 13.24, Wisconsin Statutes 1917. But these statutes only give the legislators the right of questioning these officers. We believe that the people of this state are becoming uneasy over the growth of these great commissions, responsible in many cases to no one. The people want the laws to be rightly administered and they demand that these great semi-judicial bodies be kept out of politics. On the other hand, the people insist that they shall in some way, be subject to the will of the people.

They know the tendency in human nature to seize power and to become arrogant when there is no effective control. They know that in many instances officials dealing with the administration of the laws have not been willing to listen to the complaints of the people. By providing machinery through which these officials can be brought before the legislature as provided in sec. 13.23 and 13.24. and then enacting a further provision that they may be dismissed by a majority vote of senate and assembly voting separately, the slightest complaint from citizens of the state can not only be presented through the representatives but the cause of complaint can be immediately removed. Thus a healthier spirit and a more considerate attitude will be fostered in these commissions. We recommend the adoption of such a provision. This will not affect the commissions adversely, but the contrary will be true, for if the people feel that they have control over these commissions, experience has shown that they will not hesitate to give them larger power, longer terms and better pay. On the other hand if the people feel they have no control over the commissions, then irritability, suspicion and hesitancy in giving the proper power and firm support will result. We shall only be following the proven wisdom of other democratic governments in adopting this plan. Lloyd George can be dismissed in this manner without trial in ten minutes by the British Parliament; and powerful as Clemenceau is today in France, he maintains his tenure subject to the same right vested in the Chamber of Deputies. Similar provisions apply to every

official in Canada, Australia and every other democracy of the world. The first step toward democracy in Germany was the making of the ministers responsible to the Reichstag rather than to the Emperor and a provision that they could be dismissed by a majority vote.

With the addition of this slight governmental change we can feel no hesitancy about giving tenure of office to these commissions, but power without responsibility is abhorent to the spirit of the new democracy.

Woman's Suffrage

The splendid record made by women during the war, and their demonstrated capacity to intelligently participate in public affairs and assist the government, have removed the last objection urged to their right of the ballot. We recommend that if Congress shall submit during this session of the legislature an amendment to the National Constitution providing universal suffrage, that it be promptly ratified. If such an amendment is not submitted we urge submission of the question of state wide woman suffrage to a referendum of the people of this state at the earliest possible moment.

Arbitration of Legal Disputes

The necessity of resorting to the courts to enforce a right is productive of much delay, loss of time and expense which can ill be borne by society and we recommend the broadening of the opportunities for arbitration of legal disputes without resource to the courts.

More Direct Method of Amending the Constitution

Opposition to constitutional government has been fostered by the difficulty of amending our national and some of our state constitutions. Argument is made that England has no written constitution and that many of the more democratic governments have only slight constitutional limitations. The Wisconsin Constitution can only be amended by the action of a majority of the members elected to each of the two houses of two successive legislatures, the publication of the resolution of amendment of three months previous to the time of holding the election at which the second legislature to vote on the proposal is elected, and must then be submitted to the people, and ratified by a majority of the electors voting on the proposal. We believe there should be a shorter method of amendment. We recommend that

our constitution be amended so that future amendments may become operative when adopted by an aye and no vote of a majority of members elected to each house of the legislature, then published for three months prior to the next general election, and ratified by a majority of the electors voting thereon at such general election. This plan would require affirmative action of a legislature elected at one general election, would provide opportunity in a state wide campaign for a full discussion, after which there must be an affirmative vote of a majority of the people voting on such amendment at the next general election. The present requirement as to opportunity to vote separately on each amendment should be retained and a limitation that not more than five amendments could be submitted at any election should be added.

This would amply safeguard the constitution against hasty or hysterical amendment.

We have not attempted to make this report all inclusive or to make recommendations so specific as to in effect draft the legislation recommended. As we interpret the spirit of the resolution under which we were appointed we were to make a study of existing conditions and needs and from them work out a suggested program in general terms which might be of use to the legislature in planning and carrying out its legislative work. We trust that the foregoing report will not be without value for these purposes.

JOINT INTERIM COMMITTEE ON RECONSTRUCTION.

Roy P. Wilcox,
Chairman;
A. Kuckuk,
J. C. Hanson.

21508

END OF
TITLE